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**SERVICE DATE – NOVEMBER 9, 2005**

**SURFACE TRANSPORTATION BOARD  
WASHINGTON, DC 20423**

**ENVIRONMENTAL ASSESSMENT**

**STB DOCKET NO. AB-1081X**

**San Pedro Railroad Operating Company, LLC–Abandonment Exemption–in Cochise  
County, AZ**

**BACKGROUND**

In this proceeding, the San Pedro Railroad Operating Company, LLC (SPROC) has filed a petition under 49 U.S.C. 10502 seeking exemption from the requirements of 49 U.S.C. 10903. SPROC seeks to discontinue service over and abandon approximately 76.2 miles of track and railroad right-of-way in Cochise County, Arizona. A previously filed petition submitted in STB Docket No. AB-441 (Sub-No. 4X) was denied by the Surface Transportation Board (Board) by decision served September 15, 2005, because SPROC failed to provide all relevant evidence and financial data.

The subject line consists of four segments. The first segment is designated as the Bisbee Branch, which extends between MP 1085.0 at Bisbee Junction and MP 1090.6 at Bisbee, a distance of 5.6 miles. The three remaining segments are collectively designated as the Douglas Branch. The second segment extends between MP 1097.3 near Paul Spur and MP 1106.5 near Douglas, a distance of 9.2 miles. The third segment extends between MP 1055.8 near Charleston and MP 1097.3 near Paul Spur, a distance of 41.5 miles. The fourth segment extends between MP 1040.15 near Curtiss and MP 1055.8 near Charleston, a distance of 19.9 miles. A map depicting the rail line in relationship to the area served is appended this Environmental Assessment (EA). If the petition becomes effective, the railroad will be able to salvage track, ties, and other railroad appurtenances and dispose of the right-of-way.

**DESCRIPTION OF THE LINE**

By notice served on November 21, 2003, the Board authorized SPROC to acquire and operate the subject line from SWKR Operating Company, Incorporated. SPROC acquired the line with the intent of using it to restore a connection with the Mexican rail system at Naco, Arizona, and to haul transborder “overhead” freight. The plan never materialized because SPROC was unsuccessful in persuading the Mexican carrier, Ferromex, to restore this gateway for trans-border traffic. SPROC rehabilitated and restored to common carrier service the segment of this railroad between Curtiss and Paul Spur, Arizona. Although SPROC acquired common carrier authority over the segments of the railroad between Bisbee Junction and Bisbee and between Paul Spur and Douglas, SPROC has not attempted to rehabilitate or restore service to these segments.

Abandonment authority for the first and second segments was originally obtained on October 12, 1995 (SWKR Operating Co., STB Docket No. AB-441 (Sub-No. 1X)). Since February 24, 1997, these segments have been operated under an agreement for trail use/rail banking. Abandonment authority for the third segment was originally obtained on February 14, 1997 (SWKR Operating Co., STB Docket No. AB-441 (Sub-No. 2X)). Since August 17, 1998, this segment has been operated under an agreement for trail use/rail banking. Abandonment authority for the fourth segment was originally obtained on November 4, 2003 (SWKR Operating Co., STB Docket No. AB-441 (Sub-No. 3X)). By decision served on December 17, 2003, the Board vacated the November 4, 2003, decision and dismissed the petition for exemption.

SPROC states that, except at station and yard locations, the rights-of-way are generally 100 feet wide, 50 feet on each side of the center line. The topography of the area is curvy with some gentle grades and high desert. The surrounding land has scrub brush and mesquite. From Curtiss at MP 1040.15 southward for 20 miles, SPROC owns the track materials and operates over the right-of-way via an easement granted by Union Pacific Railroad Company, which owns the underlying right-of-way. SPROC indicates that no in-stream salvage operations would be required.

The subject line serves one principal shipper, Chemical Lime Company (Chemical Lime) at Paul Spur, for which SPROC and its predecessors have handled primarily inbound coal and coke. The subject line currently carries no commodities because the condition of a railroad bridge located at MP 1044.4 has deteriorated so substantially that the Federal Railroad Administration instructed SPROC to suspend operations over the bridge, effectively ending all rail service to Chemical Lime. An embargo was posted on June 16, 2005, renewed on September 22, 2005. Flooding on the line in August, 2005 seriously damaged track and structures over a 16 mile segment of the line between MP 1061.9 and MP 1077.9. Chemical Lime filed a protest on July 14, 2005, protesting SPROC's petition for exemption. Chemical Lime manufactures lime from limestone, and provides lime-based products and services in plants throughout the United States. SPROC delivers coal and coke to Chemical Lime's Douglas lime plant via the Curtiss-to-Charleston and Charleston-to-Paul Spur rail segments. Both coal and coke are essential to Chemical Lime's manufacturing process, and according to Chemical Lime, without either one, the plant must be shut down.

## **ENVIRONMENTAL REVIEW**

SPROC submitted an environmental report that concludes the quality of the human environment will not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. SPROC served the environmental and historical reports on a number of appropriate Federal, state, and local agencies as required by the Board's environmental rules [49 CFR 1105.7(b)]. The Board's Section of Environmental Analysis (SEA) has reviewed and investigated the record in this proceeding.

The United States Department of Agriculture, Natural Resources Conservation Service (NRCS) in Phoenix Arizona has indicated that the proposed abandonment is exempt from the

requirements of the Farmland Protection Policy Act, which excludes land which is already in or is committed to urban development, currently used as water storage, or land that is not prime or unique farmland. NRCS does not see any immediate concerns or impact that would directly affect wetland areas associated with agriculture.

### **Traffic**

SPROC states that during their first year of operation (between October 15 and December 31, 2004), the railroad carried 82 carloads of freight over the subject line, consisting of inbound coal and coke for the only active customer, Chemical Lime, to its plant located at the end of the line at Paul Spur. For the year to date through June 16, 2005, SPROC carried 190 carloads of inbound coal and coke for Chemical Lime. Neither figure represents a complete year in which the rail line and Chemical Lime were fully operational. In Chemical Lime's July 14, 2005, Statement in Opposition to SPROC's Petition for Exemption, Chemical Lime indicates that since preparations to restart the plant in September-October 2004, Chemical Lime has been taking delivery of coal at the rate of 180 carloads per year and coke at the rate of 200 carloads per year, a total of 380 carloads per year. Using a rail-to-truck conversion factor of 4 trucks per railcar,<sup>1</sup> SEA calculates that on a per day basis, if all the rail traffic is diverted to truck traffic, the abandonment would generate an estimated 1520 new trucks per year (3040 truck trips assuming an empty backhaul). This equates to approximately 13 trucks per day being added to area roads during a 240 workday year.<sup>2</sup> This increase in truck traffic will not exceed the Board's thresholds of an increase of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment [49 CFR 1105.7(e)].

### **HISTORIC REVIEW**

SPROC submitted an historic report as required by the Board's environmental rules [49 CFR 1105.8(a)] and served the report on the Arizona State Parks, State Historic Preservation Office (SHPO), pursuant to 49 CFR 1105.8(c). The SHPO has substantial documentation already on file in connection with the previous abandonment efforts for segments one, two, and three. The SHPO has requested that SPROC provide it with a topographic or equivalent map and color photographs for the fourth segment, the 19.9 mile segment between MP 1040.15 at Curtiss and MP 1055.8 at Charleston. At the time this environmental assessment was prepared, the SHPO had not completed its assessment of the proposed abandonment. Pending completion of the SHPO's review, we recommend a condition to ensure compliance with the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f.

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<sup>1</sup> The conversion factor is an estimate used to calculate the rail to truck conversion of varied commodities.

<sup>2</sup> When weekends and holidays are subtracted from a 365 day year the result is 240 workdays.

The National Park Service National Center for Cultural Resources Native American Consultation Database (NACD) was queried for Cochise County, Arizona to identify consultation contacts for Federally recognized Indian Tribes which might have an interest in the proposed SPROC abandonment. The query resulted in identification of five tribes. SEA has added the Fort Sill Apache Tribe of Oklahoma, Mescalero Apache Tribe, San Carlos Apache Tribe, Tohono O'odham Nation, and the White Mountain Apache Tribe to the service list for this proceeding to ensure that they receive a copy of this environmental assessment for their comment.

## **CONDITIONS**

SEA recommends that the following environmental condition be placed on any decision granting abandonment authority:

San Pedro Railroad Operating Company, LLC shall retain its interest in and take no steps to alter the historic integrity of all sites and structures on the right-of-way that are 50 years old or older until completion of the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f.

## **CONCLUSIONS**

Based on the information provided from all sources to date, SEA concludes that, as currently proposed, and if the recommended conditions are imposed, abandonment of the line will not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed abandonment would include denial (and therefore no change in operations), discontinuance of service without abandonment, and continued operation by another operator. In any of these cases, the existing quality of the human environment and energy consumption should not be affected.

## **PUBLIC USE**

Following abandonment and salvage of the rail line, the right-of-way may be suitable for other public use. A request containing the requisite four-part showing for imposition of a public use condition (49 CFR 1152.28) must be filed with the Board and served on the railroad within the time specified in the Federal Register notice.

## **TRAILS USE**

A request for a notice of interim trail use (NITU) is due to the Board, with a copy to the railroad, within 10 days of publication of the notice of the petition for exemption in the Federal Register. Nevertheless, the Board will accept late-filed requests as long as it retains jurisdiction to do so in a particular case. This request must comply with the Board's rules for use of rights-of-way as trails (49 CFR 1152.29).

## **PUBLIC ASSISTANCE**

The Board's Office of Public Services (OPS) responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact OPS directly at (202) 565-1592, or mail inquiries to Surface Transportation Board, Office of Public Services, Washington, DC 20423.

## **COMMENTS**

If you wish to file comments regarding this environmental assessment, send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Kenneth Blodgett, the environmental contact for this case. Environmental comments may also be filed electronically on the Board's web site, [www.stb.dot.gov](http://www.stb.dot.gov), by clicking on the "E-FILING" link. **Please refer to Docket No. AB-1081X in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this environmental assessment, please contact Kenneth Blodgett by phone at (202) 565-1554, fax at (202) 565-9000, or e-mail at [blodgettk@stb.dot.gov](mailto:blodgettk@stb.dot.gov).

Date made available to the public: November 9, 2005.

**Comment due date: December 9, 2005 (30 days).**

By the Board, Victoria Rutson, Chief, Section of Environmental Analysis.

Vernon A. Williams  
Secretary

Attachment